

Information Services Board Meeting Minutes – December 6, 2001

Department of Information Services Boardroom, The Forum Building
Olympia, Washington

Members Present:

Representative Glenn Anderson
Everett Billingslea
Senator Emilio Cantu
Tom Fitzsimmons
Earl Heister
Mary McQueen
Gary Robinson
Representative Laura Ruderman
Marsha Tadano Long
Senator James West

Members Absent:

Senator Lisa Brown
Jayasri Guha
Tom Kelly
Ed Lazowska

Roll Call

A sufficient number of members were present to constitute a quorum.

Approval of Minutes

Minutes from the September 13, 2001 meeting were approved.

Member and Staff Departure

Mr. Everett Billingslea, Information Services Board (ISB) Chair, thanked retiring Ms. Marsha Tadano Long for her contributions as a member of the ISB. He also acknowledged the work of Dr. Paul Taylor as Chief of Staff to the Board who is leaving state service to work for the Center for Digital Government.

ISB Meeting Dates for 2002

Dr. Taylor distributed a schedule for the ISB meeting dates in 2002.

Community and Technical Colleges Administrative Systems Project

Dr. Taylor said that the ISB received a letter from Bellevue Community College on behalf of the Community and Technical colleges indicating they plan to change their acquisition strategy on the Administrative Systems Project to acquire software instead of software and development services. The letter was in response to the colleges' presentation to the ISB at the September 13, 2001 meeting.

Department of Information Services Information Technology Security Status

Ms. Mary Lou Griffith, Senior Information Technology Planning Advisor, DIS, reported that 45 agencies had responded by the October 6, 2001 due date to the request for a letter from agency heads validating the agencies had established an Information Technology (IT) Security program as required by the ISB IT Security Policy. The letters included plans for tasks to be completed prior to June 30, 2002 and recognized the importance

**Department of Information
Services Information
Technology Security Status**
(continued)

of a security program manager and security awareness training. She said there is a concern that potential budget constraints may impact the security programs.

Ms. Griffith introduced Mr. Mike McVicker, Assistant Director, Telecommunication Services, DIS and Mr. Jeff Scheel, ISB Independent Security Analyst, to describe recent activities to improve the overall security of the state's computing infrastructure.

Mr. McVicker reported that agencies have been working together to improve management and communication to enhance the state's ability to effectively respond in the event of computer virus attacks such as Code Red and Nimda. He emphasized that the whole state is vulnerable if one server is infected, so it important to monitor the network and communicate incidents quickly and efficiently to the involved technical staff.

Mr. Scheel said initiatives are underway to establish the key points of contact at the agencies. A charter for a group called the Washington Computer Incident Response Center (WACIRC) has been drafted and a sub-committee of the Customer Advisory Board has begun to establish procedures to address computer incident response. The Enterprise Security Services Office of DIS will establish a response center within the agency and following an incident, best practices and lessons learned will be shared with WACIRC members to help prevent and/or reduce the impact of future incidents.

Mr. McVicker added that the IT Security Symposium will be offered at DIS on February 28 and March 1, 2002, to provide awareness training about the policy and the infrastructure. He said they are looking for additional tools to monitor and respond to incidents.

Mr. Billingslea said that as Chair of the ISB he received a letter from Governor Locke directing that certain actions be taken to address security. A motion was made to follow up on the letter by reviewing the current IT security policy, standards and practices to ensure proper steps have been taken to meet the Governor's intent.

The motion carried.

**Department of Social and
Health Services State Hospital
Feasibility Study**

Mr. Tom Parma, Senior Information Technology Management Consultant, DIS, introduced Mr. Dennis Braddock, Secretary, Department of Social and Health Services (DSHS) and Mr. Carl Brimmer, Director of Mental Health, DSHS to present the findings of the State Hospital feasibility study to support

**Department of Social and
Health Services State Hospital
Feasibility Study (continued)**

continued operations of existing psychiatric hospital information systems and the associated financial systems. He said the current systems do not meet the state hospital clinical requirements or the state and federal payment and financial reporting requirements.

Secretary Braddock asked Mr. Brimner to focus on the highlights of the study. Mr. Brimner said there is a lack of automated processes leading to errors, poor reporting capabilities and inefficiencies. They are vulnerable to audit findings that could result in the loss of federal funding for programs. Mr. Brimner said they engaged the services of the Public Consulting Group (PCG) to complete an in-depth technical assessment.

The outcome of the PCG study suggested the most cost effective option was to acquire a commercial off the shelf solution through the competitive acquisition process and asked the ISB to approve the issuance of a Request for Proposal. The requirements will be based what the federal government requires. They estimated the cost to be around four million dollars and the time required to implement a new system approximately two years.

A motion was made to approve the competitive acquisition of a commercial off the shelf package with minimal customizations that include vendor proposed implementation, on-going maintenance, and project management plans. DSHS will also report to the ISB after the selection of the apparent successful vendor with a more precise estimate of costs, schedule and any potential availability of any federal funds for the project.

The motion carried.

**Department of Social and
Health Services Feasibility
Study for Health Insurance
Portability and Accountability
Act (HIPAA)**

Mr. Parma said the two primary goals of the federal Health Insurance Portability and Accountability Act (HIPAA) were to streamline the administrative processes within the health care systems and decrease the associated administrative costs. The list of HIPAA rules include specific deadlines for implementation that are in statute and can only be extended or modified through an act of Congress. He provided the ISB with a list of several agencies that will have to make enhancements to their business processes to be in compliance with HIPAA rules. He said Secretary Braddock and Mr. Rick Boyesen, Director of Information Services, Medical Services Management, DSHS would present and request approval of a feasibility study to bring their Medicaid Management Information System (MMIS) into compliance with HIPAA regulations.

**Department of Social and
Health Services Feasibility
Study for Health Insurance
Portability and Accountability
Act (HIPAA) (continued)**

Secretary Braddock said HIPAA presents a tremendous challenge and opportunity to improve their health care information system that processes claims from health professionals. The current HIPAA deadline is October 2002, but a bill has passed Congress to extend the electronic billing requirements until October 2003, giving DSHS time to complete the project and test it fully.

Mr. Boyesen said MMIS disburses \$3 billion per year, receives 30 million claims annually and serves about 870,000 clients per month. The system was first installed in 1976 and in 1998 DSHS received approval from the ISB to extend the existing contract with Affiliated Computer Services (ACS) formerly known as Consultec, Inc. through 2004. He said it is their objective to stabilize the system, including HIPAA changes as they move into the re-procurement and lower costs for future procurements. The key impact of HIPAA is that it will require a much more complex data structure than MMIS uses, requiring a major change to the current method for processing claims.

Mr. Boyesen said the feasibility study was built on five objectives:

1. Obtain statutory compliance
2. Meet health industry expectations
3. Be cost effective
4. Maintain current functionality
5. Enhance system accessibility for health care providers

He said they considered the following options in the study:

1. Continuing with the existing technology with no change
2. Contracting with a clearinghouse for HIPAA compliance
3. Implementing the ACES corporate solution
4. Maximizing changes to the MMIS mainframe system by ACS programming staff and minimizing changes to the front-end capabilities.
5. Maximizing changes to the front end system by DSHS programming staff and minimizing changes to the MMIS system

Mr. Boyesen said the fifth option was preferred to preserve the current investment while using industry standards for middleware and making the front-end portable and sharable to another version of MMIS. Secretary Braddock said if an extension is granted DSHS will do some additional analysis of that strategy and report back to the ISB.

Representative Anderson asked how the HIPAA strategies were being coordinated across the various state agencies affected by these requirements. Dr. Taylor said the Enterprise

Department of Social and Health Services Feasibility Study for Health Insurance Portability and Accountability Act (HIPAA) (continued)

Management Group (EMG) of agency deputy directors has formed a HIPAA subcommittee, chaired by Ms. Nancy Ellison of the Department of Health and is actively working the issues.

Members discussed the approval of the RFP and voted to delay approval until the deadline has been firmly established, the state agencies have identified their priorities, efforts for sharing systems and standards have been coordinated with other states, and DSHS has defined a long term strategy for MMIS. They agreed that DSHS should continue the process for requesting federal funding by submitting their Advanced Planning Document. The ISB requested DSHS return either in January or by the February regularly scheduled ISB meeting to answer the Board's questions.

Approval of Four Updated Model Information Technology Contracts

Ms. Erika Lim, Senior Policy Advisor, DIS, and Ms. Marie Kirk, Contracts Manager, Telecommunication Services, DIS briefed the Board on the updated model information technology contracts at the September 13, 2001 meeting and returned to request approval of the four updated model contracts.

A motion was made to approve the model contracts.

The motion carried.

The effective date for the new contracts will be December 6, 2001.

Washington State Patrol (WSP) Update to the Justice Information Committee's State Interoperability Executive Committee (SIEC) Status

Ms. Lourdes Collins, Senior Information Technology Management Consultant, DIS, introduced Chief Ronal Serpas, Washington State Patrol (WSP), to provide the ISB with a status report of the activities of the State Interoperability Executive Committee (SIEC). The SIEC is a sub-committee of the Justice Information Committee (JIC) led by WSP and is coordinating efforts to ensure radio communications for public safety and emergency response are interoperable.

Chief Serpas said that Washington's SIEC has been recognized as a best practice by the Public Safety Wireless Network Program. A short-term solution has been developed that will utilize an audio switch to allow the different radio networks to speak to each other. The long-term solution will produce a single, statewide 700-megahertz system.

Mr. Clark Palmer, IT manager, WSP, said they are trying to get funding from federal grants for the interim solution. The earliest time they could receive funds if granted is October 2002. The interim solution has been approved by the JIC subcommittee

**Washington State Patrol (WSP)
Update to the Justice
Information Committee's State
Interoperability Executive
Committee (SIEC) Status
(continued)**

and they have seen a demonstration of the way the technology works.

Mr. Robinson said a letter from the state to the FCC was sent requesting use of 700 megahertz for state use and the FCC is requesting another letter for local jurisdiction use. A letter will be sent to comply with their request.

**Washington State Geographic
Information Council Update**

Mr. Billingslea requested that this informational agenda item be presented at the February ISB meeting. In addition, he asked that a new ISB subcommittee be comprised of key board members and agency directors to provide leadership on issues related to geographic information technology.

**Department of Corrections
(DOC) Offender Management
Network Information (OMNI)
Project Status Report**

Mr. Stan Ditterline, Senior Information Technology Management Consultant, DIS, said the Department of Corrections (DOC) would provide an informational update on the completion of Phase I and the start-up of Phase II of the Offender Management Network Information Project (OMNI). He introduced Ms. Cindy Yates, DOC Deputy Secretary, and OMNI Project Director, Mr. Don Price, DOC to make the presentation. Ms. Yates introduced the new OMNI Deputy Project Manager, Ms. Debbie Kendall.

Ms. Yates said that the Offender Accountability Plan (OAP), a comprehensive application that enhances the community corrections officers ability to manage offenders, was deployed in October 2001 and has been running in full production for more than two months without failure. The application contains over ten thousand OAPs. All of the Phase I change requests have been completed and the deployment of OAP was considered a tremendous success. The data warehouse was delivered but has not been accepted. IBM and DOC are working the issues so acceptance is complete and payment to the vendor for the remainder of Phase I can be made.

Ms. Yates said the lessons learned from Phase I would be integrated into Phase II project management to:

- Improve the transfer of knowledge from the vendor to DOC,
- Improve the security by establishing a common data security team,
- Increase external quality assurance (QA), and
- Increase the involvement the QA team with the development of the acceptance criteria.

**Department of Corrections
(DOC) Offender Management
Network Information (OMNI)
Project Status Report
(continued)**

Ms. Yates explained the Phase II deliverables will include the core systems modules that will be comprised of 25 percent of the Offender Based Tracking System (OBTS) screens and about 50 percent of the current OBTS inquiries. It will include the basic identification information about offenders such as personal information, sentencing, release, law enforcement and other agency notification. A module for a record of events and actions taken to manage offenders will also be part of Phase II.

Mr. Price said that a high-level work plan for Phase II was included in the ISB member materials. Senator Cantu asked that a method be established for conveying to staff the lessons that were learned. Mr. Price said they have scheduled a risk assessment workshop to use what was learned in Phase I to further improve the project success in Phase II. Mr. Robinson suggested posting "lessons learned" at a "best practices" website to share the information with other agencies.

A motion was made to authorize DOC to proceed with Phase II and to return to the ISB with a more detailed work plan that includes strategies for risk mitigation, acceptance testing, and knowledge transfer so DOC can continue operation of OMNI over the long term.

The motion carried.

**Department of General
Administration (GA) Update on
the Ultimate Purchasing
System (TUPS)**

Mr. Andy Marcelia, Senior Informational Technology Management Consultant, DIS, introduced Ms. Tadano Long and Mr. Bill Joplin, Manager of Purchasing and Contract Administration, Department of General Administration (GA) to present an update on the status of the Ultimate Purchasing System (TUPS) project. Mr. Marcelia said that the pilot phase was completed and that the outcomes of the pilot identified the need to redesign some of the business processes to improve the functionality of the system.

Ms. Tadano Long said the mass edit problem that was reported to the ISB at the September 2001 meeting has not been solved though a temporary work-around is in place and the vendor, AMS, has agreed to have that feature fully functional by the end of March 2002. GA has agreed to hold back payment of \$50,000 until the mass edit feature is fixed. A previous concern about the viability of the software company, Ariba, has been addressed because AMS has the rights to the Ariba source code.

Ms. Tadano Long said there have been some contract disputes and discussions over the way the features and functions should work for state government, but they are working with AMS to amend the contract. She said the contract specified that no

**Department of General
Administration (GA) Update on
the Ultimate Purchasing
System (TUPS) *(continued)***

payment would be made to the vendor until the system was accepted and a penalty was assessed against AMS for a total credit to GA of \$158,000 for project delays. The payment due to AMS once the system is accepted is \$639,000 with the hold back of \$50,000 until the mass edit feature is fully functional.

Mr. Joplin said they have been working to improve business processes, document efficiencies, and improve performance with the new system. He said that to meet the acceptance testing, the system must operate 30 consecutive days at 99.7 percent availability and all work plan deliverables be completed. He said if benchmarks were achieved, the earliest possible completion date would occur between December 7, 2001 and January 10, 2002.

He said next steps will include: assessing the acceptance period data; completing implementation of pilot agencies; rolling out with initial participating agencies; and working with the supplier to increase content in the electronic catalogs.

Senator Cantu suggested adding one more item, succession planning, for the new director who will replace Ms. Tadano Long. Ms. Tadano Long said recruitment for her position was underway and that there would be some contingency planning and the people that have been involved with the project would continue to be involved.

She reported that contracts for the two-tier contracting program were in place and 121 vendors are on the list. She thanked the ISB for help in making that a stronger process that works well for the agencies.

New Business

Mr. Robinson introduced Ms. Joyce Turner as Acting Deputy Director, DIS.

Adjournment

The meeting was adjourned.